GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:2337
ANSWERED ON:09.05.2016
Free Trade Agreements
Yadav Shri Om Prakash

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the details of Free Trade Agreements and limited scope of Preferential Trade Agreements concluded by India during the last three years;
(b) the details of the outcome of the Tenth Ministerial Conference of WTO held in Nairobi, Kenya in December 2015;
(c) whether from lowering of tariffs and removal of quantitative restrictions, the focus in international Trade has now shifted to the simplification of trade procedures in general and customs procedures in particular;
(d) if so, the details thereof; and
(e) the details of the new initiative taken by the Government for trade facilitation?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (INDEPENDENT CHARGE)
(SMT. NIRMALA SITHARAMAN)

(a) India has not entered into any new Free Trade Agreement (FTA) or Preferential Trade Agreement (PTA) during the last three years. However, India expanded the scope of the India-ASEAN Trade in Goods (TIG) Agreement in November, 2014 to cover both Services and Investment with its date of implementation being 1 July, 2015.

(b) The outcomes of the 10th Ministerial Conference of the World Trade Organisation (WTO), referred to as the 'Nairobi Package' includes a Ministerial Declaration and Decisions on some agricultural issues and issues relating to Least Developed Countries (LDCs). Ministerial Decisions were adopted relating to public stockholding for food security purposes, an agricultural Special Safeguard Mechanism (SSM) for developing countries, a commitment to abolish export subsidies for farm exports and measures related to cotton. The Ministerial decision on public stockholding for food security purposes commits WTO members to engage constructively in finding a permanent solution to the issue of public stockholding for food security purposes and translates into a commitment by the WTO members to agree on and adopt a permanent solution by the Eleventh Ministerial Conference of the WTO in 2017. India also negotiated a Ministerial Decision which recognizes that developing countries will have the right to have recourse to an agricultural Special Safeguard Mechanism (SSM) as envisaged in the Doha mandate for which negotiations will be held in dedicated sessions with the General Council mandated to regularly review progress of these negotiations. The SSM is intended to help developing countries protect their agriculture sector, inter-alia, from the effects of import surges. Decisions were also adopted regarding preferential treatment to LDCs in the area of services and the criteria for determining whether exports from LDCs may benefit from trade preferences. One of the Decisions adopted extends the relevant provision to prevent 'evergreening' of patents in the pharmaceuticals sector. This would help in maintaining an affordable and accessible supply of generic medicines. A Ministerial Declaration was also adopted which reflects the Decisions adopted at the Conference and the views on the way forward in the WTO negotiations.

(c) to (e): Yes, Madam. There is an increased focus in international trade on simplification of trade procedures. India ratified the World Trade Organisations (WTO's) Trade Facilitation Agreement (TFA) on 22 April, 2016. The new initiatives taken by the government for trade facilitation are reduction in mandatory documents for exports and imports; electronic processing of a significant number of shipping bills; implementation of the single window project; integrated risk management; and extended coverage of 24x7 customs clearance facility.

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